

# HB3451



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3451

by Rep. Lance Yednock

### SYNOPSIS AS INTRODUCED:

215 ILCS 5/143.5 new

Amends the Illinois Insurance Code. Requires insurance policies to be written in language easily readable and understandable by a person of average intelligence and education. Provides the factors the Director of Insurance shall consider in making the determination that the policy is easily readable and understandable by a person of average intelligence and education.

LRB101 10531 SMS 55637 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by adding  
5 Section 143.5 as follows:

6 (215 ILCS 5/143.5 new)

7 Sec. 143.5. Policy readability.

8 (a) On and after the effective date of this amendatory Act  
9 of the 101st General Assembly, a policy issued, amended,  
10 renewed, or delivered by an insurance company authorized to do  
11 business in this State shall be written in language easily  
12 readable and understandable by a person of average intelligence  
13 and education.

14 (b) In determining whether a policy is readable within the  
15 meaning of this Section, the Director shall consider, at least,  
16 the following factors:

17 (1) the simplicity of the sentence structure and the  
18 shortness of the sentences used;

19 (2) the extent to which commonly used and understood  
20 words are employed;

21 (3) the extent to which legal terms are avoided;

22 (4) the extent to which references to other sections or  
23 provisions of the contract are minimized;

1           (5) the extent to which definitional provisions are  
2           incorporated in the text of the policy or contract; and  
3           (6) any additional factors relevant to the readability  
4           or understandability of an insurance policy or contract  
5           that the Director may prescribe by rule.